

☐ Action  
☒ Discussion  
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**SUBJECT:** **BRIEFING ON COUNCILMEMBER LEE'S ADVOCACY ACTIVITIES  
IN WASHINGTON, D.C. ON THE CITY'S FEDERAL PRIORITIES**

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**POLICY ISSUE:** Congress, the Administration and federal agencies each year approve actions that impact the City in a broad range of activities. This briefing covers the recent activities by Councilmember Conrad Lee to advocate for the City's priorities with members of Washington's Congressional Delegation.

**NEEDED FROM  
COUNCIL:** Staff is seeking Council direction regarding continued advocacy efforts on priorities of the City with the federal government. This is a step in response to Council priorities and direction to staff to develop a federal funding strategy and plan.

### **BACKGROUND**

One of the Council priorities is to develop a stronger regional presence and strategic partnerships to advance the City's priorities. A key area of focus as part of the City's overall regional strategy is the federal government—the Administration, Congress and federal agencies.

Bellevue Councilmember Conrad Lee attended the National League of Cities Annual Conference in Washington, D.C., March 8-12. This conference is an opportunity to meet with fellow elected officials from across the country. It provides many workshops where information is shared on how cities are successfully meeting a variety of challenges faced by local governments. There are many venues for participants to hear and talk with officials representing the Administration, Congress and federal agencies. The conference is also a time to meet with the state's Congressional Delegation and members of their D.C. legislative staff to discuss the City's priorities and provide updates on projects.

On March 12, Councilmember Lee had a full day of appointments on the Hill: he joined Senator Patty Murray for an early-morning cup of coffee and news from her home state; followed by meetings with Members and staff representing Senator Maria Cantwell, Congressman Adam Smith, Congressman Dave Reichert and Congresswoman Susan DelBene. Councilmember Lee had prepared speaking points and issue summaries on a variety of topics of importance to the City and the region, including: economic development, transportation issues (e.g., I-405, SR 520 and I-90), the Marketplace Fairness Act, an update on sustainable community development

activity in the Bel-Red Corridor and other projects. Copies of the speaking points and issue summaries are included as Attachments A and B. The materials, schedule, and meeting arrangements were provided by Nina Collier and Jeff Bjornstad of Wasington2Advocates.

One of Councilmember Lee's key messages was the City's strong desire to forge effective, lasting partnerships with our Members of Congress. Doing so will help accomplish the City's priorities. The good news is that we have supportive members of Congress who want to help Bellevue. Per Council direction, staff is working on a plan for greater regional advocacy and collaboration with other jurisdictions and a plan to secure greater levels of grant funding. Councilmember Lee's efforts laid the groundwork for these partnerships. Essential next steps include:

- Inviting Members and their staff to Bellevue to see firsthand the role they can play in helping accomplish Bellevue's objectives. As follow up to Councilmember Lee's meetings, we have extended invitations to Senator Cantwell's chief of staff and Senator Murray's state director.
- Developing specific "asks" for funding where federal money can make a difference (funding for projects such as the extension of NE 6<sup>th</sup> from 112<sup>th</sup> to 120<sup>th</sup>, where \$3 million could fund the environmental work and beginning design of this critical link, or funding for key Bel-Red infrastructure such as the Spring Boulevard project that will require a steady infusion of funding over the next several years).
- Targeted trips to Washington, D.C. to meet with Congressional Delegation and agency staff on their "turf" to enlist support for the City's priorities.
- Constant reinforcement of the City's key messages and priorities through in-person meetings and other communications with Members and their staff while they are in their home districts.

**ALTERNATIVES:**

N/A

**RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Attachment A: Councilmember Lee's Speaking Points for March 12, 2014

Attachment B: Issue Briefs Prepared for Councilmember Lee's March 12, 2014 D.C. Meetings

## INTRODUCTION – ECONOMIC DEVELOPMENT

- Bellevue is blessed to be a vibrant economic center with many of the attributes that make it attractive to businesses. But to compete in the current global marketplace, Bellevue cannot simply assume that economic development and growth will simply happen. We must consciously and smartly lay the ground work and prepare for it. We must build the foundation for future growth and pursue the type of growth we want. We must lead.
- As Mayor in 2013, I along with my fellow Bellevue City Council Members launched an effort to create a strategic economic development plan to guide the City's economic development efforts over the next three to five years.
- The goal is to build a strong local economy with a sustainable natural environment and a high quality of life.
- The strategy is focused on:
  - I. Accentuating Bellevue's assets
    - Diversity – Bellevue is one of the most diverse cities in the US, with over 40% of residents being foreign born.
    - Internationalism – Bellevue's proximity and strong connections with Asia (especially China) and Canada, as well as its diverse workforce make it attractive to businesses.
    - Quality of Life – Bellevue's schools rank among the top in the nation. *Money Magazine* ranked Bellevue at #40 on the national list of "Best Places to Live". The redevelopment plan for the Bel-Red Corridor is a model for transit-oriented development and is part of the City's livability and sustainability goals.
  - II. Tackling Bellevue's biggest challenges
    - Transportation/mobility
    - Housing choices, especially for a range of income levels
    - Investment, especially in technology and public works infrastructure
  - III. Targeting growth
    - Bellevue has been working with community and business leaders to develop an "innovation ecosystem". The strength and variety of industry clusters – IT, business services, retail, and tourism – and continued growth add to Bellevue's appeal.
    - The City will pursue opportunities to seek partnerships, foster a business-friendly environment, and encourage growth.

**FEDERAL AGENDA**

- Bellevue's economic development agenda will provide the basis for much of the City's work in the coming years and is the basis for Bellevue's federal legislative agenda.
- Bellevue needs and wants to work with its federal partners.
- Specifically, Bellevue needs your support of:
  1. The Market Place Fairness Act;
  2. Transportation infrastructure; and
  3. Redevelopment of the Bel-Red Corridor
- I am excited to have the opportunity to share Bellevue's vision with you and look forward to working with you to make Bellevue, the Puget Sound region and Washington state a model for economic growth, sustainable communities and diversity.

**MARKET PLACE FAIRNESS ACT**

- We urge your support of the Marketplace Fairness Act S. 336 and H.R. 684, which grants state and local governments the authority to collect taxes on remote sales.
- One of the City's biggest challenges and one of the biggest impediments to future, potential economic growth is the backlog of infrastructure needs that could be addressed if local governments were given the ability to enforce current law with respect to sales tax.
- Funds that may be made possible to the City of Bellevue as a result of the Market Place Fairness Act would help the City address critical infrastructure needs. For example:
  1. Local roadway improvements and infrastructure, especially the critical local arterial projects that will enhance the connections to/from the freeways (405, 520, I-90) and move traffic more effectively into and out of the downtown and other employment centers. For example, we need funding to extend NE 4th to 120th NE to improve access across I-405.

**TRANSPORTATION**

- Mobility and access in and around Bellevue are critical to the economy and quality of life of Bellevue and the entire Puget Sound region.
- We strongly encourage Congress to work toward a transportation reauthorization package.
- Some of Washington state's most used and congested freeways are key access points for Bellevue (I-405, I-90 and 520). We need continued investments in these roadways in order to complete much needed improvements and repairs.
- Additionally, it is essential that Bellevue and Washington state are able to invest in the local arterials that connect to these freeways to enhance the connections to/from the freeways and move traffic more effectively into and out of the downtown and other employment centers.
  - Extending NE 4th to 120th NE to improve access across I-405.
  - Widening 120th NE from NE 8th to NE 15th to meet future travel demand and support redevelopment around the light rail station and the surrounding neighborhood.
  - Completing a full interchange at 124th NE and SR 520 to improve access for SR 520 users and access to I-405.
- The Washington state legislature has been considering a state transportation revenue package. If this passes it will likely include key funding to complete projects on 405 and 520.
  - \$1.2 billion to finish I-405 south from Bellevue to Renton express toll lanes.
  - \$35 million for continued work on a new interchange at 124<sup>th</sup> on SR 520.
  - Funding to finish SR 520 (the west landing).
- Bellevue and Washington state are trying to do our part but we need our federal partners to be committed to funding transportation. Our quality of life and the economy in the Pacific Northwest depends on it.

**BEL-RED CORRIDOR REDEVELOPMENT**

- The Bel-Red Corridor is the 900 acre area of land between Bel-Red Road and Northrup Way/SR 520 that runs from downtown Bellevue to Overlake/Microsoft Campus in Redmond.
- Bel-Red is well poised to be one of the major growth centers of the region.
- The redevelopment of the Bel-Red Corridor is an opportunity to address future growth and transportation needs in a way that is environmentally, socially and economically sustainable.
- It leverages the development of Eastlink, which will run through the heart of Bel-Red.
- It provides the City and its partners the opportunity to address housing and open space needs and develop a more sustainable environment for the future.
- Despite the economic downturn, a great deal of progress is being made in redeveloping Bel-Red.
  - Sound Transit is proceeding with hundreds of millions of dollars of public transit investment to acquire property and construct three light rail stations to serve Bel-Red.
  - The City is moving ahead with millions of dollars of investment in parks, utilities and transportation infrastructure. Eight acres of land was acquired for a future park, stream restoration and transportation right-of-way.
  - Major private sector investments:
    - Children's Hospital completed and open.
    - \$2.3 billion, 36 acre Spring District Master Plan approved; construction underway of first two office buildings and four apartment buildings - <http://thespringdistrict.com/>
    - Goodman Real Estate residential project for 450 apartments, under construction.
    - Pine Forest Master Plan under review; multiple office and residential buildings.
- The City will capitalize on the unique opportunities presented by the Bel-Red redevelopment to compete for federal funding to help make it a reality. We need and welcome your support.



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## ECONOMIC DEVELOPMENT

The City of Bellevue is committed to ongoing economic development to capitalize on its vibrant economy, beautiful natural environment, and diverse, well-educated workforce. In the Northwest, Bellevue is uniquely situated to continue to grow, attract new businesses, residents, and visitors, and improve the quality of life in our region.

### Background

As a major regional employment center, Bellevue has experienced steady growth in workforce since the late 1990s. The City's economy is driven by four major industry sectors: IT, business services, retail, and tourism. Many of Washington's largest employers call Bellevue home or have major operations here, including Boeing, Microsoft, Paccar, Nordstrom, Expedia, Puget Sound Energy, and Symetra. The presence of these businesses and many others are a testament to the strength of our business climate and has great appeal to other businesses considering locating here.

Investments in economic development support Bellevue's commitment to improve quality of life and expand prosperity by strengthening our economic base and building economic diversity.

### Strategic Plan

In 2013, the City launched an effort to create a strategic economic development plan to guide the City's economic development efforts over the next three to five years. Bellevue leaders understand that fostering economic development and a desirable business climate requires ongoing investments in housing, transportation, and infrastructure. With a reputation for great schools, clean neighborhoods, and convenient parks, Bellevue's appeal is high for many. And the City is committed to making the needed investments, including pursuing partnerships and funding, to further that goal.

The City will utilize both direct action and local and regional partnerships to build our "innovation ecosystem" and support businesses in the community. The strategic plan is focused on three main areas: accentuating the City's assets, tackling its challenges, and targeting growth.

#### *Accentuating Bellevue's Assets*

Bellevue will proactively tell its story and send the message it is open for business. Highlighting what makes Bellevue unique helps with business retention and attraction. The City is one of the most diverse communities in the US. It benefits from strong connections and close proximity to Asia (particularly China) and boasts a high quality of life with a strong retail sector, access to the arts and nationally ranked schools. It is also a community dedicated to sustainability and livability. Bellevue is a strategic place to do business and one of the best places in the country to live.

#### *Tackling Bellevue's Challenges*

Despite Bellevue's success and solid foundations, sustainability and future growth is not a given. The City and the region face big challenges that could impede future potential and erode the City's economic

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base and quality of life. The City is working to address its biggest challenges, especially challenges in transportation, housing, and infrastructure.

The City will work with its regional, state and federal partners to alleviate congestion and expand multi-modal options in the Puget Sound region. This is something we must do as a region and state to remain competitive. As part of a plan for sustained growth, the City is also working to increase housing choices for a range of income levels. Finally, we will focus on making ongoing investments in infrastructure to improve sustainability and the environment, financing and economic development.

#### *Targeting Growth*

Bellevue has been working with community and business leaders to develop an “innovation ecosystem”. It has been identified that Bellevue’s core and strongest business clusters are in information technology (IT), business services, retail, and tourism. The City will leverage its strengths in these areas with targeted strategies to further develop these business sectors, while also encouraging continued diversity of the types of businesses that call Bellevue home. Bellevue will encourage growth by fostering a business-friendly environment and pursuing opportunities for partnerships.

Information Technology -- With Microsoft renting approximately 2 million square feet of office space in Bellevue, and with the headquarters of Expedia, Concur and T-Mobile located in Bellevue, it’s not surprising that Bellevue has a strong IT base. Bellevue’s IT sector has great potential for additional growth. IT is the City’s largest industry cluster with the most business starts. IT businesses locating in Bellevue benefit from proximity to a thriving high-tech hub, access to global markets, and a highly educated workforce. Bellevue continues to build its reputation as an IT hub and attract new businesses.

The launch of “Next Generation Bellevue” seeks to further cultivate technology entrepreneurship, including in the area of clean technology. Strategies for growing this sector include partnerships with educational institutions, in particular a research university, to serve as a catalyst for innovation and spin-off companies, increasing focus on interactive media and video games, and encouraging collaboration, interaction and learning amongst IT businesses in Bellevue.

Business Services -- Bellevue’s business services sector is its second strongest sector. The category includes financial services companies, such as Symetra, management services, which include the headquarters of Puget Sound Energy, Eddie Bauer, Paccar and the regional managing offices of QFC, Safeway, and Esterline. Architecture and engineering, legal and the consulting services also fall into this category. The City is building on its many strengths in this area: a well-educated workforce, ethnic diversity, and excellent connections Asia. By cultivating Bellevue’s reputation as a great place to do business, the City will attract new firms in this sector.

Retail - Bellevue’s retail sector is booming and is critical to the City’s economy. The City is one of the region’s premiere high-end retail destinations, and the retail industry supports and is supported by the IT and tourism clusters. To help this sector thrive, the City must focus on mobility and access. Housing and infrastructure to improve walkability, liveability, and diverse community experiences are also important.

Tourism - The City is working to expand its capacity to host business meetings and conventions. By establishing a coordinated tourism strategy, expanding capacity for business meetings and conventions, and seeking arts and cultural opportunities, Bellevue can capitalize on strong demand and expand this sector.



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## **MARKETPLACE FAIRNESS ACT**

### **Request**

Support the Marketplace Fairness Act, S. 336 and H.R. 684, which grants state and local governments the authority to collect taxes on remote sales.

### **Background**

The 1967 Supreme Court ruled it would be too much of a burden on out-of-state retailers to collect sales taxes in all the jurisdictions they conducted businesses. In 1992, the issue resurfaced and the Court elaborated that Congress ultimately has the power to resolve the question of taxation on interstate commerce.

The growth of internet sales since that time has been unprecedented. Online merchants selling in their own states are required to collect sales tax, however sales taxes are not collected at the point of sale for sales that are out of state. By contrast, the brick and mortar businesses in our local communities are required to collect sales tax at the point of service. This puts these main street retailers at a five to ten percent competitive price disadvantage to remote sellers. Rather than putting these businesses at a competitive disadvantage, we should support these main street retailers that are valuable contributors to the vitality of our community.

Congress should provide state and local governments the option to collect the sales tax already owed under current law. Collecting sales taxes on online sales will generate \$23 billion for state and local governments that can be invested in job creation and economic recovery efforts.

The new legislation creates two systems to facilitate multistate sales tax collection: the Streamlined Sales and Use Tax Agreement and an alternative where states may collect after adopting minimum simplification requirements for their sales tax laws and administration.

### **Economic Investment Opportunities**

Bellevue's focus is on economic development. One of the City's biggest challenges is the backlog of infrastructure needs that could be addressed if local governments were given the ability to enforce current law with respect to sales tax. Funds that may be collected by the City as a result of the Marketplace Fairness Act would help to address critical infrastructure needs and expand opportunities for investment.

#### *Transportation Infrastructure*

The City has made transportation infrastructure a top priority. Congested highways and local arterials stand to benefit from a potential influx of investments, and investments will enhance overall mobility and growth opportunities. Bellevue needs funding to complete critical, local roadway improvements and infrastructure, especially local arterial projects that will enhance the connections to/from the freeways (405, 520, I-90) and move traffic more effectively into and out of the downtown and other employment centers such as:

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- Extending NE 4th to 120th NE to improve access across I-405.
- Widening 120th NE from NE 8th to NE 15th to meet future travel demand and support redevelopment around the light rail station and the surrounding neighborhood.
- Completing a full interchange at 124th NE and SR 520 to improve access for SR 520 users and access to I-405.

#### *Bel-Red Corridor Redevelopment*

Bel-Red is well poised to be one of the major growth centers of the region. Funding is needed to implement basic infrastructure to bring the 900 acre Bel-Red Corridor Redevelopment Plan to fruition. The redevelopment plan is a leading model for transit-oriented, sustainable development planning and provides an opportunity to address future growth and transportation needs in a way that is environmentally, socially, and economically sustainable. Funding is needed for:

- **Transportation/Mobility** – Central to the Bel-Red vision is Sound Transit’s East Link line, which will run through the heart of Bel-Red. The Bel-Red Redevelopment Plan seeks to create a multi-modal transportation system designed to improve environmental sustainability and mobility by increasing transportation choices and by making improvements to transportation “on all fronts” through and within Bel-Red.
- **Livability and Housing Affordability** – Housing currently does not exist in the Bel-Red area. The Plan envisions the development of 5000 new housing units in neighborhoods connected by walking and bicycle trails to transit, parks, and other amenities. Not only will housing be made available, aggressive goals are in place to make housing accessible to a wider diversity of individuals and families.
- **Environmental Sustainability** – In addition to linking development directly to transit, the Bel-Red Plan calls for rehabilitating the area’s natural environment. Despite its heavy industrial past, streams and other natural areas still exist among Bel-Red’s current industrial lands. The Plan seeks to restore streams, rehabilitate wetlands, implement innovative storm-water management techniques, develop trails and open space, etc. Currently, there is only one park in the entire 900 acre area.



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## **TRANSPORTATION**

Mobility and access in and around Bellevue are critical to the economy and quality of life in Bellevue and the entire Puget Sound region. The City strongly urges Congress to work toward a transportation reauthorization package and support needed infrastructure investments.

### **Background**

The City of Bellevue is taking a regional approach to solving its transportation challenges. Stakeholders repeatedly have identified transportation as one of Bellevue's major challenges, and the City is committed to providing leadership around transportation investments at the local and regional levels.

### **Federal Highways**

Some of Washington state's most used – and most congested – freeways are key access points for Bellevue. Interstate 405 between Lynnwood and Renton is one of the most congested highways in the state. Interstates 90 and 405 (as well as State Route 520) are major transportation corridors for Bellevue and the region and require continued investment to complete much-needed repairs and improvements.

Bellevue supports focused highway funding to reduce and better manage congestion in urban areas and improve highway-to-highway connections. Investments in the I-90 and I-405 corridors are essential to promoting economic development, supporting growth, and improving the quality of life in communities throughout the City.

### **Local Roadways**

Additionally, it is essential that Bellevue and Washington state are able to invest in the local arterials that connect to these freeways to enhance the connections to/from the freeways and move traffic more effectively into and out of the downtown and other employment centers.

To support that goal, the City is working on a number of projects, including:

- Extending NE 4th to 120th NE to improve access across I-405.
- Widening 120th NE from NE 8th to NE 15th to meet future travel demand and support redevelopment around the light rail station and the surrounding neighborhood.
- Completing a full interchange at 124th NE and SR 520 to improve access for SR 520 users and access to I-405.

### **East Link Light Rail**

The East Link light rail corridor is a key component to the development of our multi-modal transportation system. Currently in the final design phase, with construction anticipated to begin next year and service to start in 2023, East Link will extend light rail from Seattle, across Lake Washington through Downtown Bellevue and the emerging Bel-Red Corridor, and into Redmond. The project will connect several major regional hubs supporting improved mobility and encouraging growth.

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#### BEL-RED CORRIDOR UPDATE 2014

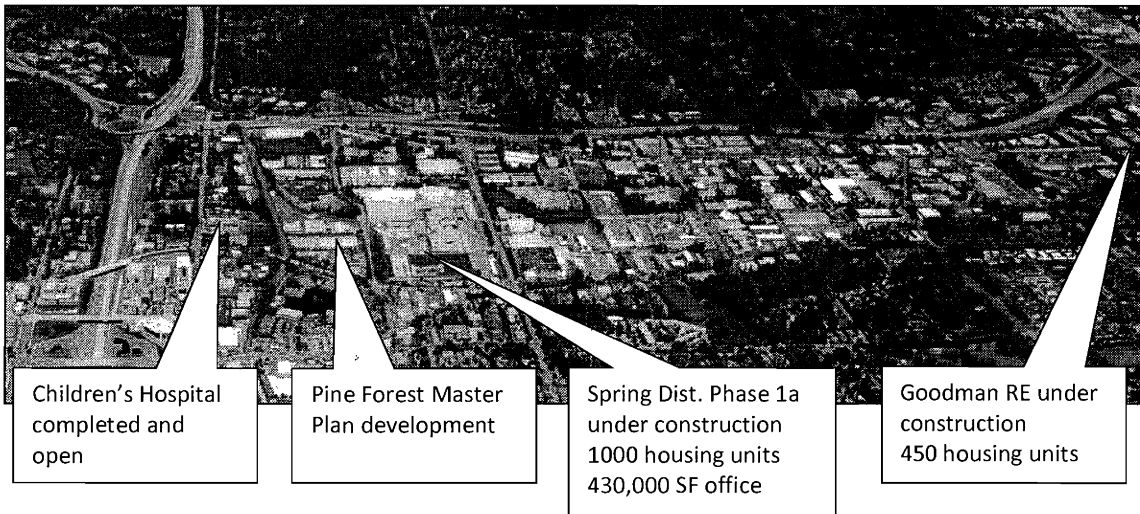
The Bel-Red plan provides for the transformation of an extensive urban infill site into mixed use, transit-oriented development, while restoring ecological functions and creating thousands of new jobs and housing units. The plan has been recognized at regional, state, and national levels as a leading model for sustainable development. U.S. Senator Patty Murray called the Bel-Red Plan “a perfect example of the type of comprehensive approach to sustainable, environmentally conscious development we are trying to encourage ...a plan that melds housing, transportation and investments—to support economic growth and job creation.”

Following adoption of the Bel-Red plan in 2009, the area is seeing significant leasing, reuse and re-tenanting activity, across the area. Large-scale new investment plans are proceeding consistent with the transformative nature of the plan.

#### Implementation is proceeding:

- Sound Transit is proceeding with hundreds of millions of dollars of public transit investment to acquire property and construct three light rail stations to serve Bel-Red.
- The City is moving ahead with millions of dollars of investment in parks, utilities and transportation infrastructure. Eight acres of land was acquired for a future park, stream restoration and transportation right-of-way.
- Major private sector investments:
  - Children’s Hospital completed and open.
  - \$2.3 billion, 36 acre Spring District Master Plan approved; construction underway of first two office buildings and four apartment buildings - <http://thespringdistrict.com/>
  - Goodman Real Estate residential project for 450 apartments, under construction.
  - Pine Forest Master Plan under review; multiple office and residential buildings.

Bel-Red is well poised to be one of the major growth centers of the region, and to do this in a way that is environmentally, socially and economically sustainable. This will take time. But the significant progress being made is remarkable in that we’re only five years into a plan and have weathered a deep recessionary period.



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### Vision for the Spring District



The planned development of the 36-acre Spring District with Downtown Bellevue in the background. Downtown Seattle is shown across Lake Washington.



Illustration of the planned development of the Spring District with the new 120<sup>th</sup> Avenue light rail transit station shown at center.